

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3129-01
Bill No.: Truly Agreed to and Finally Passed SB 966
Subject: Employers/Employees; Unemployment Compensation
Type: Original
Date: May 21, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Special Employment Security	(Up to \$100,000)	(Up to \$10,000)	(Up to \$10,000)
Total Estimated Net Effect on <u>Other</u> State Funds	(Up to \$100,000)	(Up to \$10,000)	(Up to \$10,000)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTIONS

Temporary Help Agency Employees

Officials from the **Department of Labor and Industrial Relations (DOL)** assume the proposal codifies existing policy in place for determining eligibility of claimants whose last employer was a temporary agency. Therefore, DOL officials assume the proposal would have no fiscal impact on their organization.

Officials from the **Department of Economic Development, Division of Workforce Development**, assume the proposal would have no fiscal impact on their organization.

ASSUMPTIONS (continued)

Missouri State Unemployment Council

In response to a similar proposal, officials from the **Office of the Governor**, the **Missouri House of Representatives**, and the **Missouri Senate** assumed the proposal would have no impact on their organizations.

Officials from the **Department of Labor and Industrial Relations** (DOL) stated their estimate of costs for commission expenses to be less than \$10,000 per year, and their estimate of first-year costs for the commission including the required study of the state's unemployment system would be less than \$100,000.

Oversight has shown a range up to \$100,000 for FY 2005 and up to \$10,000 for FY 2006 and FY 2007.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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**SPECIAL EMPLOYMENT
SECURITY FUND**

Cost - Division of Employment Security

Staff support and council expenses	(Up to \$10,000)	(Up to \$10,000)	(Up to \$10,000)
Outside study	(Up to \$90,000)	\$0	\$0

Total	<u>(Up to \$100,000)</u>	<u>(Up to \$10,000)</u>	<u>(Up to \$10,000)</u>
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**ESTIMATED NET EFFECT ON
SPECIAL EMPLOYMENT
SECURITY FUND**

<u>(Up to \$100,000)</u>	<u>(Up to \$10,000)</u>	<u>(Up to \$10,000)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

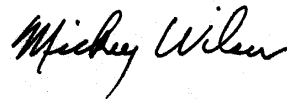
This proposal would specify that a temporary employee of a temporary help firm shall be deemed to have voluntarily quit employment if the employee does not contact the firm for reassignment prior to filing for benefits, if the employee is aware of this requirement.

The proposal would also create the Missouri State Unemployment Council. The council would be composed of nine members and would advise the Division of Employment Security on policy and statutory matters, would prepare an annual report to the governor and the General Assembly, and would contract for an outside study of the Missouri unemployment system. The first study would be completed in fiscal year 2005, subject to funding, and subsequent studies would be completed every five years.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Labor and Industrial Relations
Division of Employment security
Department of Economic Development
Division of Workforce Development



Mickey Wilson, CPA
Director
May 21, 2004